



Securities Industry Association

1425 K Street, NW • Washington, DC 20005-3500 (202) 216-2000 • Fax (202) 216-2119 •
www.sia.com, info@sia.com

October 27, 2003

The Honorable William M. Thomas
United States House of Representatives
2208 Rayburn House Office Building
Washington, DC 20515-0531

Dear Chairman Thomas:

The Securities Industry Association strongly supports passage of the “American Jobs Creation Act of 2003” (H.R. 2896) as amended and slated for markup on Tuesday, October 28, 2003. While the impetus for this legislation is the decision of the World Trade Organization concerning the U.S. “foreign sales corporation/extraterritorial income” tax rules, the legislation more broadly makes fair competition in the global economy its goal. The Bill takes a critical next step in correcting several serious inequities in current U.S. international tax rules. These U.S. tax policy missteps, some decades old, operate day in and day out to impede the opportunities of SIA member firms to bring their services and products to new markets abroad.

The international tax changes you are moving forward are very constructive and cannot come too soon. Current U.S. international tax rules all too often today result in the punitive double taxation (by both the United States and a foreign country) of income earned abroad, and create costly complexity that outweighs any public policy benefits. In today’s competitive global economy, our flawed home country tax rules for taxing international income simply make it that much harder for firms to continue to grow, create new *domestic* jobs, and thereby contribute to future economic prosperity.

On Tuesday you will be providing the members of your Committee with a rare opportunity to further legislation to correct many aspects of U.S. international tax rules that have been proven over time to be seriously flawed. SIA is urging all members of the Committee to support this important step in the direction of both a more level international tax playing field and better tax policy. With best wishes, I am

Sincerely yours,

A handwritten signature in black ink that reads 'Marc E. Lackritz'.

Marc E. Lackritz
President